

**MARYLAND
HEALTH CARE
COMMISSION**

**Report on the Implementation of
Acute Care Hospital Licensure Regulations**

Fact Sheet

October 25, 2000

**Division of Health Resources
4201 Patterson Avenue
Baltimore, Maryland 21215
www.mhcc.state.md.us**

Donald E. Wilson, M.D., MACP
Chairman

John M. Colmers
Executive Director

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Background: House Bill 994

- ➡ House Bill 994, the Hospital Capacity and Cost Containment Act, enacted by the General Assembly in 1999, resulted in an innovative new approach to determining the number of beds that an acute general hospital will be authorized to license on an annual basis.
- ➡ The new provisions found in Health-General Article §19-307.2, affects only Maryland's acute general hospitals, and does not apply to the State, Federal, rehabilitation or private psychiatric hospitals. Only licensed acute care beds in these institutions are covered. Other services that may be offered by some acute general hospitals, such as rehabilitation or long term care, are not affected by this law.

Purpose of the New Licensure Process

- ➡ The new licensure process is designed to provide a more accurate measurement of hospital capacity in Maryland and, at the same time, to be flexible and responsive to the needs of hospitals both during temporary periods of peak demand, and in growth areas where a hospital's patient base may be increasing.
- ➡ Consistent measurement of hospitals' licensed capacity will benefit Maryland's strong information-based planning programs because the previous licensure system did not uniformly yield comparable numbers for all hospitals where, for example, space previously used for licensed beds has been converted to other uses.

New Acute Care Hospital Licensure Procedures

- ➡ The new law and regulations require the Secretary of the Department of Health and Mental Hygiene to annually calculate the licensed bed capacity for each hospital equal to 140 percent of the hospital's average daily census for the 12-month period immediately preceding the calculation.

- Three State agencies play a cooperative role in implementing this new process.
 - ⇨ The Office of Health Care Quality, Maryland's licensing authority, will annually issue revised licenses to the State's acute general hospitals.
 - ⇨ The Health Services Cost Review Commission provides the information on the number of patients in each hospital, which will serve as the basis for the average daily census information used to calculate the licensed bed capacity.
 - ⇨ The Maryland Health Care Commission reviews and approves the bed designations by major clinical service category, and maintains a Hospital Inventory Database. The MHCC also performs the initial tasks of obtaining the annual calculated licensed bed capacity from the data of the Health Services Cost Review Commission, informs the hospitals of their new licensed bed capacity, requests them to allocate the designated number of beds to be licensed among their existing acute care services, responds to issues that arise from the hospitals, and forwards completed bed designation forms to the Office of Health Care Quality.
- The Office of Health Care Quality will begin issuing revised licenses, with the designated bed allocations attached, to Maryland hospitals in October/November, 2000.
- Hospitals can request a temporary adjustment to their licensed bed capacity whenever and as often as needed to respond to peak census demands in excess of their licensed capacity, should that become necessary. The hospitals will receive a form with instructions that will be used to notify the Office of Health Care Quality within five business days of the change in bed capacity.

Licensed Acute Care Hospital Beds in Maryland; 2000

- Beginning in October/November, on a statewide basis the calculation of licensed beds results in a total acute care general hospital capacity of 9,555 beds in Maryland. This compares to 12,328 licensed beds before implementation of this process. The overall reduction will be 2,773 beds, or 23% of the 12,328 beds in Maryland's 47 acute general hospitals. Most of the reduction (58%) occurs in Central Maryland, where 21 hospitals have most of the State's acute care beds.
- The statewide 23% reduction in licensed beds varies by region: Central Maryland- 1,605 beds (23% of the region's previously licensed total); Eastern Shore- 173 beds (20%); Montgomery County- 218 beds (14%); Southern Maryland- 548 beds (34%); Western Maryland- 229 beds (19%).
- Hospitals targeted their reductions differently according to major clinical service category: Medical/Surgical- 2,173 beds (78% of the total reduction); Obstetric- 168 beds (6% of the total reduction); Pediatric- 274 beds (10%); Acute Psychiatric- 158 beds (6%). Overall, pediatrics services showed the largest proportionate reduction: 36% of the number of beds previously licensed.
- Although in its first year this new licensure process will result in a 23 percent reduction in the number of licensed acute care hospital beds in Maryland, the following years will not see such declines. Four Maryland hospitals qualified for additional beds this year. Next year could see other hospitals increasing in licensed bed capacity, based on this year's utilization.

For more information please call Pamela Barclay or Patricia Cameron at the Maryland Health Care Commission, 410-764-3460, or Renee Webster at the Office of Health Care Quality, 410-402-8000.

**Implementation of Acute Care Hospital
Licensure Regulations
Changes in Licensed Beds
Maryland Acute General Hospitals, 2000**

Jurisdiction/ Local Health Planning Area	Hospital	Licensed Beds as of 08/15/2000	Calculated License d Beds	Number to be Delicensed
Allegany	Memorial of Cumberland Hosp	201	140	61
	Sacred Heart Hospital	240	145	95
	Total	441	285	156
Carroll	Carroll Co. General Hospital	168	166	2
Frederick	Frederick Memorial Hospital	228	241	(13)
Garrett	Garrett Co. Memorial Hospital	76	35	41
Washington	Washington County Hospital	266	223	43
WESTERN MARYLAND TOTAL		1,179	950	229
Montgomery	Holy Cross Hospital	408	340	68
	Montgomery General Hospital	213	140	73
	Shady Grove Adventist Hosp	263	253	10
	Suburban Hospital	338	217	121
	Washington Adventist Hospital	290	344	(54)
MONTGOMERY COUNTY TOTAL		1,512	1,294	218
Calvert	Calvert Memorial Hospital	139	88	51
Charles	Civista Medical Center	121	97	24
Prince George's	Doctor's Community Hospital	250	166	84
	Fort Washington Medical Cntr	37	36	1
	Laurel Regional Hospital	174	109	65

	Prince George's Hospital Cntr	447	276	171
	Southern Maryland Hosp Cntr	350	221	129
	Total	1,258	808	450
St. Mary's	St. Mary's Hospital	107	84	23
SOUTHERN MARYLAND TOTAL		1,625	1,077	548

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Jurisdiction/ Local Health Planning Area	Hospital	Licensed Beds as of 08/15/2000	Calculated License d Beds	Number to be Delicensed
Anne Arundel	Anne Arundel Medical Center	301	237	64
	North Arundel Hospital	312	231	81
	Total	613	468	145
Baltimore County	Northwest Hospital Center	223	171	52
	Franklin Square Hospital	383	299	84
	Greater Baltimore Med Cntr	372	308	64
	St. Joseph Hospital	434	308	126
	Total	1,412	1,086	326
Baltimore City	Bon Secours Hospital	208	147	61
	Good Samaritan Hospital	192	196	(4)
	Harbor Hospital	350	162	188
	Johns Hopkins Bayview Med Cntr	306	296	10
	Johns Hopkins Hospital	989	922	67
	Kernan Hospital	24	7	17
	Maryland General Hospital	243	154	89
	Mercy Medical Center	285	211	74
	Sinai Hospital of Baltimore	368	350	18
	St. Agnes Hospital	383	284	99
	Union Memorial Hospital	349	247	102
	University of Maryland	724	629	95
	Total	4,421	3,605	816

Harford	Fallston General Hospital	184	113	71
	Harford Memorial Hospital	283	102	181
	Total	467	215	252
Howard	Howard Co. General Hospital	233	167	66
CENTRAL MARYLAND TOTAL		7,146	5,541	1,605
Caroline				
Cecil	Union Hospital of Cecil	166	98	68
Dorchester	Dorchester General Hospital	95	65	30
Kent	Kent & Queen Anne's Hospital	64	45	19
Queen Anne's				
Somerset	E.W.McCready Mem. Hospital	20	13	7
Talbot	Memorial Hospital at Easton	159	130	29
Wicomico	Peninsula Regional Med Cntr	300	305	(5)
Worcester	Atlantic General Hospital	62	37	25
EASTERN SHORE TOTAL		866	693	173

MARYLAND TOTAL	12,328	9,555	2,773
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Source: Maryland Health Care Commission